

To: Young, Mark
From: Moulton, G
Posted: 1/8/97 9:09
Opened: 1/8/97 17:15
Subject: Returns

Mark,

The attached is a draft of two letters and a powerpoint presentation for our sales reps. I think we should discuss this on Tuesday as we do have an objective to reduce returns. I have given a copy to Stomel and Levinson for their review and discussion.

George

51842 4926

DRAFT

To: All Retail Outlets

RE: Returns

Dear Valued Customer:

R J. Reynolds has always accepted outdated and damaged product for full return value through your wholesale supplier. We have encountered an increase in salable and promoted product returned to our wholesalers during 1996 and are requesting your assistance in 1997 as follows:

- Allow your RJR representative access to all cigarette inventory to insure product is rotated. At that time any outdated/damaged product will be identified with a special sticker and RJR name stamp
- Your supplier will give full credit on identified product, provided it meets these requirements

RJR will not accept promoted product for return to the factory unless approved by an authorized RJR representative and that approval will only be given if the product is outdated.

All returns sent to the distributors will be inspected before they are placed in stock or sent back to the factory.

We appreciate your assistance.

Sincerely,

G. H. Moulton

51842 4927